

Results of the March-April 2009 UPU Postal Operations Council

U.S. Department of State
Presentation to the Advisory
Committee on International
Postal and Delivery Services

4 June 2009



Actually, both POC and CA groups met in Bern ...

More important Postal Operations Council deliberations concerned:

- A major conference on the impact of global economic crisis on postal operators on April 2.
- Steps forward for the Global Monitoring System.
- Adoption of 2010 Quality Link to Terminal Dues targets.
- Principles for annual elections of members of the Quality of Service Fund Board of Trustees.
- Proposals, mainly by U.S., regarding insertion of “member country” and “designated operator” into Letter Post Regulations.
- Progress report on implementation of data transmission for customs purposes. China and India to join MEDICI effort.

But: Private-sector Consultative Committee members excluded from most of the agenda of the Customs Group on March 25.

Council of Administration deliberations

Council of Administration groups took on the following work:



- Reform of the Union
- Universal service
- Interconnectivity (which covers ETOEs)
- Postal economics
- Technical cooperation and postal reform
- UPU strategy

April 2 Conference on the global economic crisis

- Speakers included: Postmaster General John Potter; Jean-Paul Bailly, Director General of La Poste, France; the Directors General of Russian Post, TNT Post, Poste Italiane, Poste Maroc and Hong Kong Post; and senior officials of the IMF, International Telecommunication Union and eBay International.
- Impressive videolink through which Potter and Bailly spoke to participants from Washington and Paris.
- Conference moderated by Philip Dobbenberg, formerly of TNT.
- Some main conclusions: Postal operators need to diversify to survive; some, like Poste Italiane, have done so by moving heavily into financial services; others are active in eCommerce and logistics. Parcels offer promising opportunities for growth.
- But in the coming years, postal operators will “have to make tough choices”, stressed Postmaster General Potter.

Letter Post Quality of Service: Targets and Monitoring

- 2010 Quality Link to Terminal Dues Targets set. Targets are 88% for industrialized countries; 85% for Group 2 countries (Greece, Latvia and Malta) and 75% for Group 3 countries (Brazil, Jamaica and Ukraine).
- A Quality Link User Group made quality of service measurement determinations about local, transient anomalies for individual postal operators.
- The Global Monitoring System will operate a pilot to begin the second half of 2009 and run for 21 months. Quality of Service Fund monies of about \$2.3 million will cover start-up costs for pilot. Following the POC session, Aida of Spain was chosen to provide the equipment and test pieces, while a German firm, Quotas GmbH, will provide external panelists on behalf of UPU.
- Quality Improvement Group continues to refine KPIs (Key Performance Indicators) and report cards on performance.

Elections of Quality of Service Fund Board members

- POC approved innovative plan for the election of the 9 members of the Quality of Service Fund Board. The Board's economic composition (4 ICs and 5 DCs) and geographic distribution remain unchanged. However, each year POC will elect 3 Board members, who will each serve, in ad personam capacity, 3-year terms.
- Last – and only – election of QSF Board members was held in 2001. Efforts to hold these annual elections began in 2005; some incumbent Board members resisted proposals to introduce elections.
- System of elections that was adopted will assure both accountability of Board members, who will all eventually face an election, as well as continuity of knowledge on the Board.
- POC also adopted basic legal QSF documents (Deed of Trust and Manuals).

Customs issues and exclusion of Consultative Council

- Customs Group noted progress made to date in implementing electronic data interchange (EDI) between posts and customs, principally through the MEDICI project. China and India both plan to join MEDICI effort.
- Highly discouraging development took place at this meeting when the Chairman, from Germany, made last-minute decision to exclude private-sector Consultative Committee (CC) members from 2/3 of agenda.
- U.S. delegation intervened to protest decision and call on Chairman to develop specific criteria for those agenda items considered sensitive enough to exclude CC members.
- CC members had attended most all Customs Group deliberations in previous Congress cycle.
- Uncertain what will be next steps for development of criteria, or resolution of CC participation in Customs Group.

Work of other POC Groups at this session

- Standards Board's work included addressing standards and electronic verification notes. A misguided International Bureau effort to revise the Board's rules of procedure was set aside.
- Postal Security: Work on dangerous goods, revenue protection, information security, counterfeit and pirated items, money laundering and terrorist financing and airport security reviews.
- Telematics Cooperative elected new Chairman (Georgio Pomponi of Poste Italiane).
- EMS Cooperative grappling with membership issues: Pay-for-performance Plan has become mandatory, but most Cooperative members not ready to implement Plan. Alternatives are under study. Also: IB making efforts to revise Cooperative statutes without reference to views of Cooperative members.
- Seven new members of the Direct Mail Advisory Board; Chair is from Saudi Arabia; USPS elected Vice Chair.

Council of Administration deliberations

- The Reform of the Union Project Group, led by Belgium, formed an ad hoc group to study “impact of new market players on the UPU mission and activities”, as per Geneva Congress resolution C 16. Changes to UPU mission are a highly sensitive subject for the U.S. Government, especially to the extent that the mission may overlap with trade negotiations and WTO deliberations.
- This Group will also study legal and financial status of UPU cooperatives and extra-budgetary user groups, such as the Direct Mail Advisory Board.
- Universal service: The IB will update and harmonize information in its publication “Status and structures of postal administrations” which contains information about postal legislation in UPU member countries.
- The Interconnectivity Group has issued a questionnaire on ETOEs, and will present results to the November 2009 CA.

Technical cooperation

- The U.S. named to lead an ad hoc group on IPDPs (Integrated Postal Reform and Development Plans) which will focus on best practices and report to the 2010 CA. Flori McClung of USPS will lead the group.
- Geneva Congress had decided to transform UPU Regional Advisors into Regional Coordinators, at the P3 level (rather than P5 level). Five of the seven former Regional Advisors applied for the lower-level positions, and were appointed to them. Jimmy Ortiz of USPS was appointed Regional Coordinator for Latin America, based in Costa Rica. Ortiz is one of three U.S. professional employees at the UPU.

UPU Strategy and problems with document production

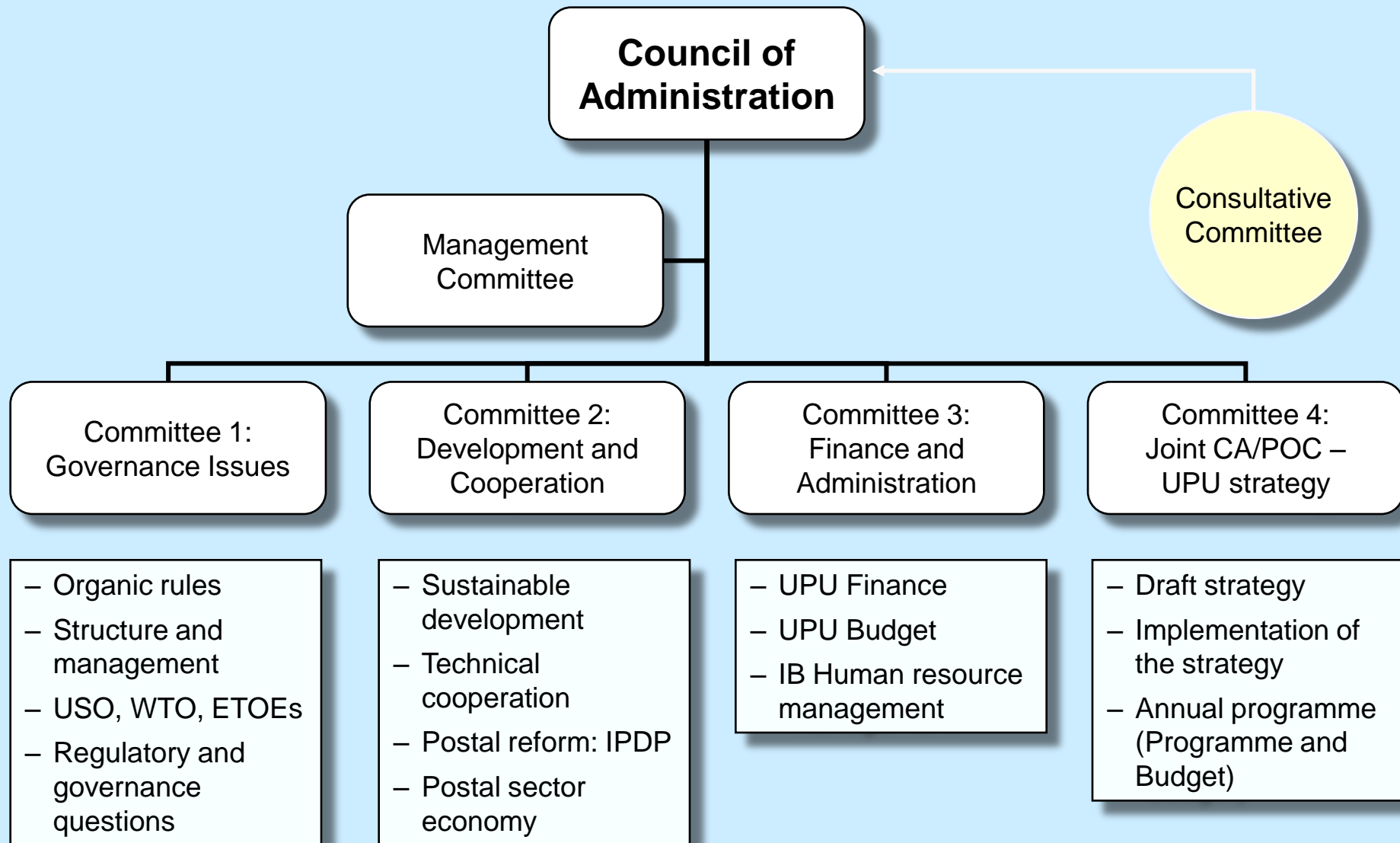
- Committee 4 of the CA (UPU Strategy), chaired by Canada, endorsed its three groups: Planning, Implementation and Reporting.
- U.S. strongly interested in building on work achieved during last Congress period to produce report cards on the attainment, by individual member countries and operators, of UPU strategic goals and methodologies for setting UPU priorities, both strategic and budgetary.
- U.S. delegation suggested that member countries be consulted about the themes to be discussed at September 2010 UPU Strategy Conference in Nairobi.
- Also, at POC, delegations expressed their overall dissatisfaction with the IB's performance – particularly tardiness – in the production of Council meeting documents ...

And finally, the Consultative Committee

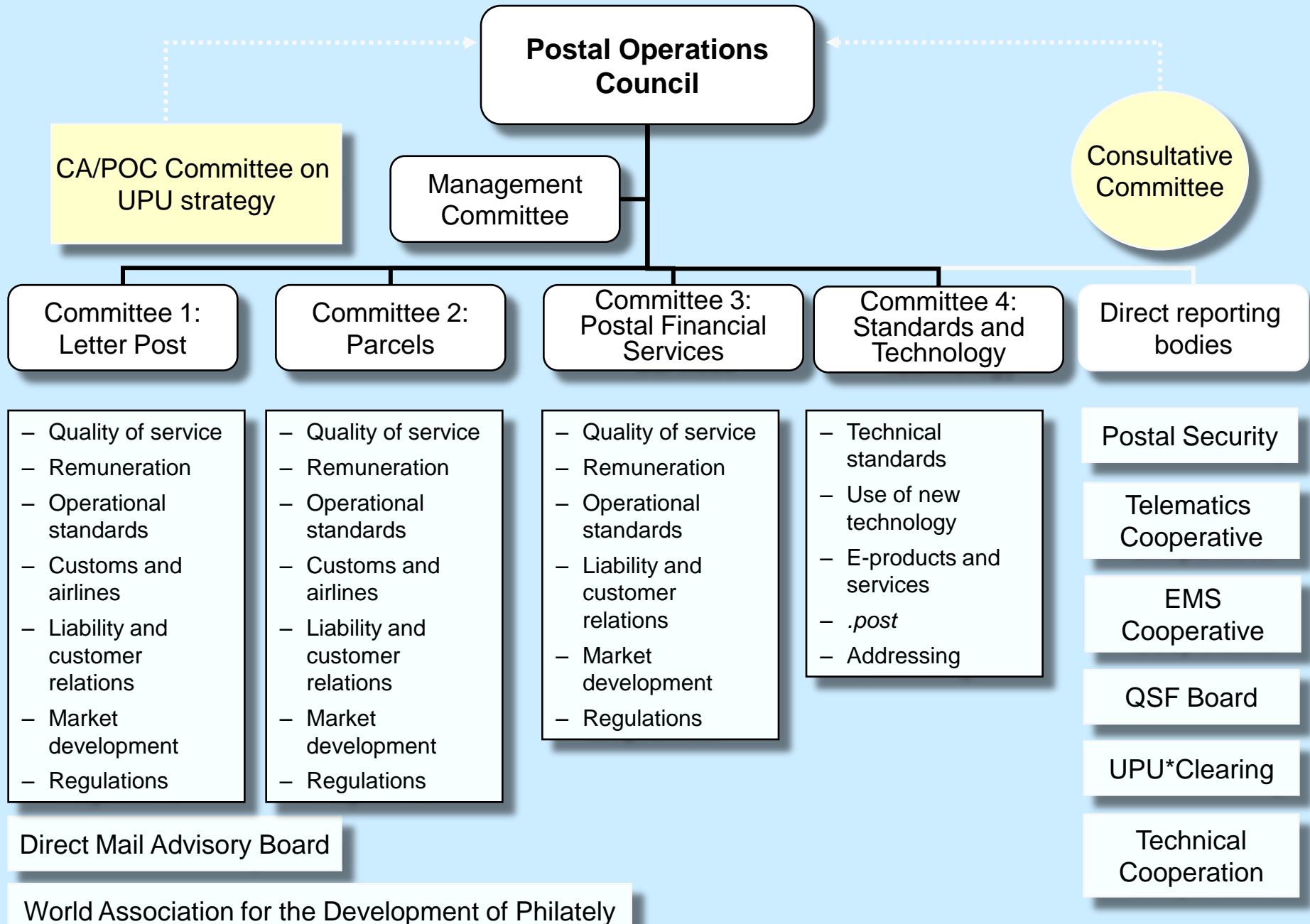
- CC heard updates on its main projects: revenue protection, sustainability and addressing
- CC decided to hold a Global Addressing Summit in late 2009, e.g. during the November 2009 session.
- Members of the Management Committee pending election.



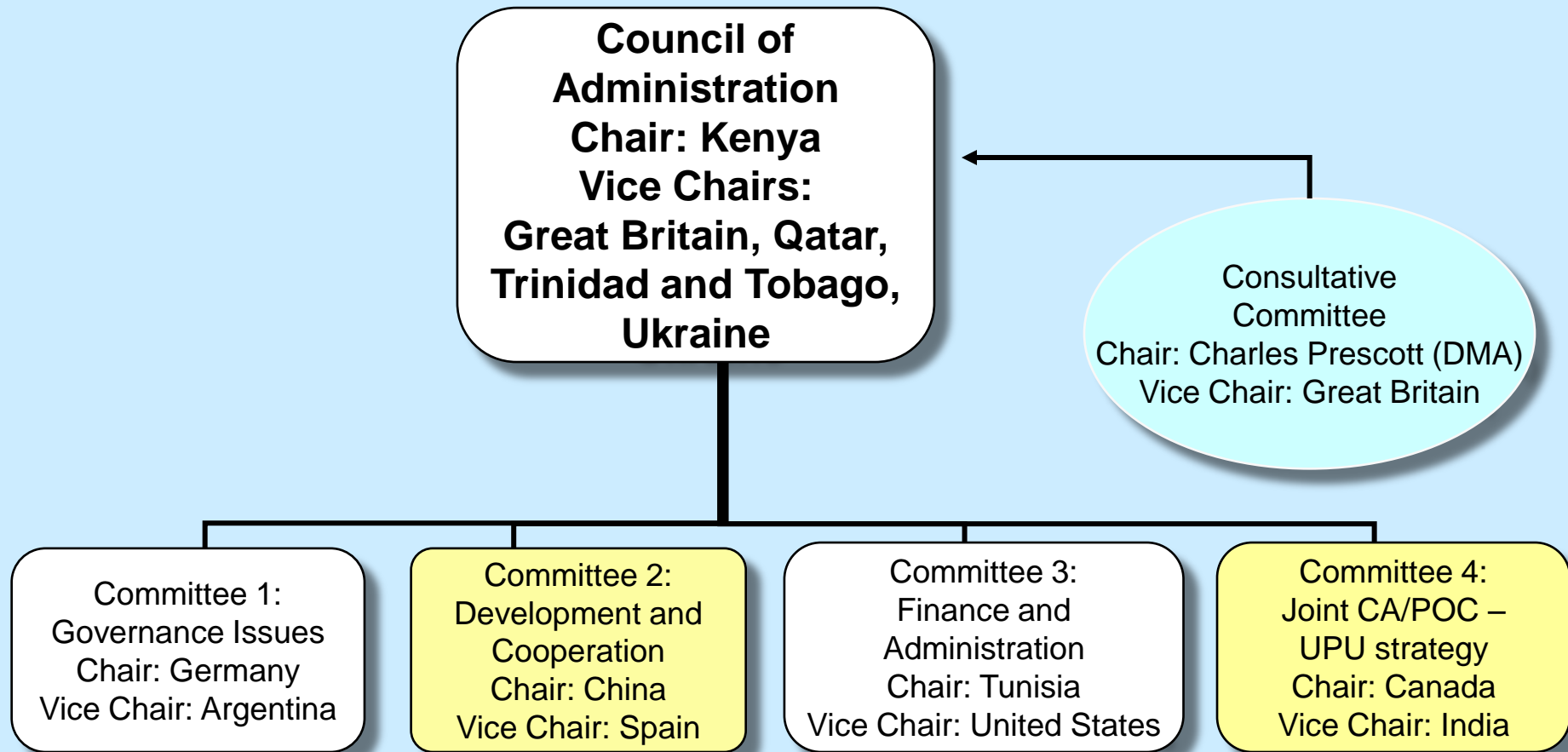
Structure of the UPU Councils



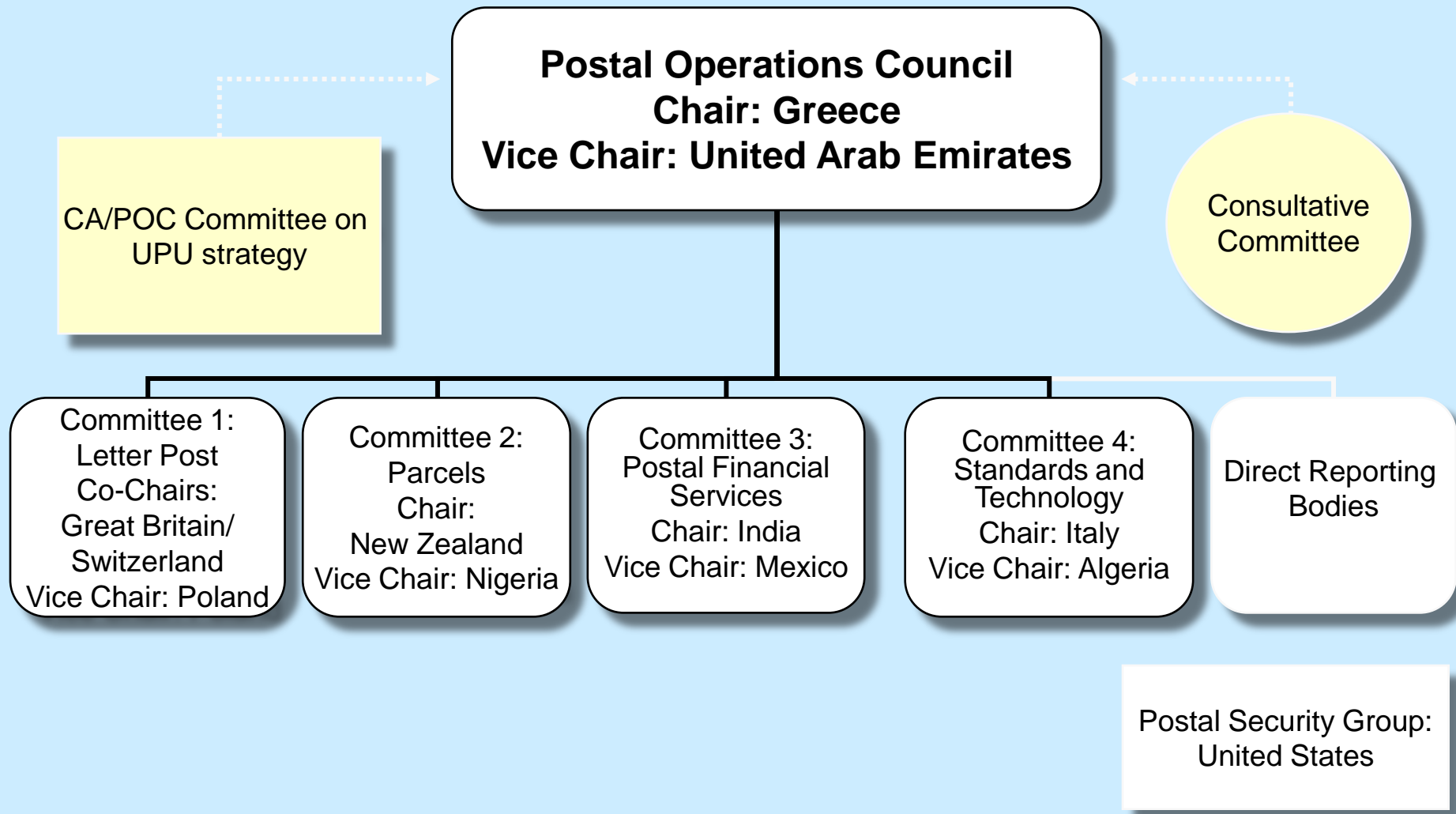
Structure of the UPU Councils



CA Committee Chairs and Vice Chairs



POC Chairs and Vice Chairs





Presentation delivered!